



Consumer Corner

by Illinois Attorney General LISA MADIGAN



Back to School: *Consumer Tips for College Students*

As you prepare to head off for college, perhaps for the first time, it is important that you learn to be a savvy consumer. The following questions and answers may address some of the issues you face as you return to school. For more information, please visit my Web site at www.IllinoisAttorneyGeneral.gov.

Q: I am in credit trouble. I accepted five credit card offers that were sent to me when I started college, and now I'm in serious debt. I owe \$6,000, and I don't have the money. What should I do?

A: First, cut up those cards. Then, seek out the names of reputable, not-for-profit credit counselors - Be wary of for-profit counselors. Your university may have a credit counseling service. If they don't, call my Consumer Hotline and ask for a referral to the counseling service nearest you. The counseling service will review your finances, put you on a budget, and negotiate a repayment plan with your creditors. Consumer Fraud Hotlines: Chicago, 800-386-5438 (TTY: 800-964-3013); Springfield, 800-243-0618 (TTY: 877-844-5461); and Carbondale 800-243-0607 (TTY: 877-675-9339).

Q: I recently graduated from high school, and I hope to save up the money to attend college in the near future. I received a letter telling me that I was guaranteed a free scholarship. All I have to do is pay a small fee to the company to do the work for me. Is this legitimate?

A: No. Unfortunately, no one can guarantee you a scholarship, and no one but you can fill out and sign a scholarship application on your behalf. What's more, you shouldn't have to pay to get a scholarship. To find out more about legitimate scholarships, talk to your high school guidance counselor or check with the financial aid office of the college you would like to attend.

Q: With all the stories about identity theft in the news, I feel like I'm putting myself at risk every time I use my credit or debit card to pay for something. What can I do to protect myself from identity theft?

A: Some simple habits can safeguard your identity and keep your personal information secure. When shopping, carry only the credit or debit cards you need. During transactions, watch where your card goes and try not to get distracted. Get your card back immediately after each purchase, and always take receipts with you. At restaurants, make sure your server picks up your signed receipt before you leave. Before throwing receipts away, shred or tear them up, especially if they display your entire credit card number.

Q: This is my sophomore year of college and I want to move out of the dorms and into an apartment with some friends. We have to put down a security deposit. Are we guaranteed to get that money back at the end of the year?

A: If you do not owe back rent, have not damaged the unit beyond normal wear and tear, and have cleaned the apartment before you moved, you should receive a full refund. If a landlord refuses to return all or a portion of your security deposit, he or she must give you an itemized statement of the damages along with paid receipts within 30 days of the date you moved.

Q: I take a full load of classes and have a part-time job, but I am just scraping by financially. I've heard payday loans are an easy way to get money fast—should I try it?

A: No. Payday loans are just short-term loans provided at *extremely* high interest rates. Borrowers often end up using most or all of the money they borrowed to pay off loan fees—leaving them with less money than they had before. Consider asking for a loan from family or friends or applying for a small loan from a credit union or bank. If your financial crisis is caused by debts, consider a credit counseling service affiliated with your school or contacting our office to find the name of a not-for-profit credit counseling service.